

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
June 3, 2015**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, June 3, 2015, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Perritt called the meeting to order at 5:04 p.m.

Airport Authority members present were; John Perritt, Chairman, Jonathan Crane, Vice-Chairman; Tom Barber, Secretary; Donna Girardot, Dan Hickman, Carter Lambeth and Thomas Wolfe. Also present were Julie Wilsey, Airport Director; Chief Gary Taylor, Operations Manager; Jim Morton, Finance Director; Whitney Prease, Facilities Director; Rose Davis, Executive Assistant; and Kemp Burpeau, New Hanover County *Deputy Attorney (corrected July 1, 2015)*.

Gary Broughton, Operations Director, was attending Jumpstart in Seattle, WA.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Elaine Mello, Hal Reichardt, Robin Spinks, Floyd Price, Chris Stephens, Butch Truelove, Bill Cherry, Tom Goodwin, Bruce Chappell and Desmond MacRae.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Joint Meeting with New Hanover County Commissioners on April 29, 2015. Mrs. Girardot MOVED, SECONDED by Mr. Hickman, to approve the minutes of the April 29, 2015 Joint Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

The Authority has reviewed the minutes of the Regular Public Meeting on May 6, 2015. Mr. Lambeth MOVED, SECONDED by Mr. Barber, to approve the minutes of the May 6, 2015. Regular Public Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

Chairman Perritt recognized Floyd Price's request to address the Authority. Mr. Price asked for clarification on the procedure to be on the actual agenda and requested to be on the agenda for the July 1, 2015 Airport Authority meeting. Chairman Perritt requested staff resend the agenda guidelines to Mr. Price and include the procedure on the website for future reference.

Mr. Price detailed his love for general aviation which began in his childhood indicating he has close to 9,000 hours of flying and has promoted flying since the 1960's. Mr. Price stated he and Ms. Spinks, flying two separate planes, carried close to 30 kids flying for the Young Eagles at their own expense.

Chairman Perritt thanked Mr. Price for his perspective and his passion regarding general aviation.

SPECIAL EVENTS

None.

FINANCE REPORT

Mr. Morton reviewed ILM's April 2015 financials, cash report and summary of accounts.

Mr. Morton recommended the approval of the FY16 Budget for \$27,317,174 and the Schedule of Fees for FY16. Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the FY16 Budget and Schedule of Fees. The MOTION WAS APPROVED UNANIMOUSLY. (A copy of the FY16 Budget and Schedule of Fees is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 193.)

Mr. Morton recommended the approval of end of year FY15 budget amendments. Mr. Hickman MOVED, SECONDED by Mr. Lambeth to approve the end of year FY15 budget amendments discussed above. The MOTION WAS APPROVED UNANIMOUSLY. (A copy of the end of year (FYE15) budget amendments is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 194.)

Mr. Morton recommended the approval of the FY15 audit contract for \$38,500 to McGladrey. Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the FY15 audit contract with McGladrey discussed above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Morton updated the Authority on negotiations with the airlines for new rates and charges noting that since it has been a profitable year for the airlines, ILM has a projected increase of about \$282,000 this year. That will help towards the goal of increasing revenue by 5% by picking up 3.4% of that for the goal next year.

Mr. Morton shared that he is in receipt of the final lease signed by Battlehouse which is ready for signature by the Chairman.

Regarding hangar leases, Mr. Morton reported, of the 19 that expressed interest, staff has received 15 signed leases and several proof of insurance certificates.

Mr. Morton reported to the Authority that the proposed lease of the former Tailwind facilities to Atlantic Coast Fuels was withdrawn by Atlantic Coast Fuels but that there has been additional interest in that building since then.

FACILITIES

Mr. Prease shared photos of the Perimeter Fence Project and the Observation Area improvements and updated the Authority on the progress of both projects.

Mr. Prease reported that the North Ramp Rehabilitation Project was advertised on May 24th with a formal bid opening on June 26, 2015.

Regarding the RWY 24 Ditch Project, Mr. Prease advised that the contractor is ahead of schedule with 75-80% of the pipe in the ground. The contractor will start grading which

encompasses approximately 80 acres of material and there will be impacts to the NAVAIDS. There will be a RWY 6-24 closure July 7 – 16, from 7:30 am until 4 pm, Monday through Friday, for 8 days.

Mr. Prease updated the Authority on the State Storm Water Grant project and some discussion followed about getting interval readings on the measurements taken so ILM will know how things are progressing through the process.

Mr. Prease shared that the FAA Memphis Airports Division Office (ADO) plans to visit ILM on June 17th to review all projects with staff and Talbert & Bright and hopefully share information about ILM's discretionary funding.

Mr. Prease further reported on the status of improvements to the South Ramp and updated the Authority on the operational status of the RWY 6 ILS.

GOVERNMENT

Mrs. Girardot and Mrs. Wilsey updated the Authority on the status of SB 414/541 (Uber Bill) and its many complications and revisions and how it affects other ground transportation at airports and airports' revenue stream. Discussion followed.

MARKETING AND PUBLIC RELATIONS

Mr. Morton updated the Authority on agenda items including the media push about the additional flights to LGA, DCA and ATL and the promotional video on social media outlets regarding Pre-Check and recommended arrival time of 90 minutes prior to flight departure.

Mr. Morton reported that staff has been reviewing the entire marketing budget and analyzing the spend throughout the year to see what was effective and making adjustments going forward for next year.

PLANNING & DEVELOPMENT

Mr. Morton updated the Authority on the proposed zoning changes to AI zoning for approval of the Planning Board at their meeting June 4, 2015.

Mr. Morton reported the Flex Space building final drawings were being reviewed and it should be put out for bid soon with the hopes of having bids in time to consider at the July Authority meeting.

Mr. Morton shared that staff has submitted, since July, 2014, 8 major projects in conjunction with Wilmington Business Development, reporting that we have been very close on some of the projects.

OPERATIONS REPORT

Using charts for illustration, Chief Gary Taylor, reported total passengers handled and seats available for May 2015.

Chief Taylor reported staff findings regarding recent LGA flight cancellations indicating it is an

Air Traffic Control congestion issue at LGA due to winds requiring that one of their runways be closed. ILM had 4 cancellations to LGA in May and 1 cancellation so far as of June 3rd. Chief Taylor stated ILM has no control over this although it is a concern for ILM.

Chief Taylor referred to the GA Survey summary sent to the Authority for review before sending to the Commissioners and recommended adding question 1 to the summary making the summary a total of 8 pages long for the Commissioners versus the total GA Survey of 41 pages. Discussion followed and it was agreed that staff would review the survey summary and send it back out to the Authority for approval before sending to the County Commissioners.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the Jumpstart event, being attended by Gary Broughton and Joseph Pickering, reporting that they had 7 official meetings with airlines, with the 2 biggest meetings being Delta and Allegiant. Mrs. Wilsey stated staff is going to pursue headquarters meetings with both Delta and American in September or October. Delta is looking at the loads for LGA, even though it has only been in place a month, but the loads are a little soft. We want to go down to Atlanta to see how LGA is performing with the hope of keeping the LGA all year long instead of seasonal. They are doing the first departure and last arrival of the day so it is a great schedule for business travelers. We think it is important to have that debrief before they go into the winter schedule.

Mrs. Wilsey reported on American's change in leadership, with Colin Wheeler leaving American for Air Mexico, and bringing in Kyle Brossman as his replacement. Staff will also pursue a headquarters meeting with American in Dallas to talk about more unique destinations after the rehubbing through DFW since American isn't as excited about the connections through Chicago.

Mrs. Wilsey reported that both incumbent airlines are happy with the performance at ILM; they are thrilled with the load factors at ILM; and both station managers are fighting for larger aircraft and more seats, as we are, to get additional capacity at ILM to serve our customers.

Mrs. Wilsey updated the Authority on Allegiant stating that they are now delaying their International marketing and have realized there are a lot of other target opportunities in the domestic market. This means they will be looking at ILM again for opportunities.

Mrs. Wilsey reported that the other meetings at Jumpstart were with new air carriers or charter carriers and staff needs to cultivate those leads. Mrs. Wilsey shared that charters will be important going into the PGA event for 2017; some of which will need the customs facility and some could go through the main terminal.

Mrs. Wilsey reminded the Authority that Joseph Pickering will be at ILM on June 23 and 24, meeting with the Air Service Focus Group of local business travelers on June 24, and with Authority members, if anyone wants to meet with him while he is here.

Regarding TSA initiatives and the insider threat, Mrs. Wilsey reported that TSA is setting up checkpoints for employees at some airports because of the issues that they have had with employees and smuggling. Mrs. Wilsey stated she didn't think that would happen at ILM since most of our employees go through the checkpoint as they go to the gate area and there are

random searches of employees that go onto the ramp. Mrs. Wilsey stated she just wanted to make the Authority aware of this situation and let them know that airports are pushing back. ILM doesn't need that delay for the employees – especially at our size of airport. The airline employees have so many things going on, they don't need to be stopped and have to go through the checkpoint every time they traverse SIDA, the sterile area, and the public side of the building. ILM is certainly going to fight against any move for an employee checkpoint.

Mrs. Wilsey pointed out that recent media reports of TSA screeners missing weapons in test exercises might pull them off of the employee screening mission to focus back on where the customers are screened because that is really where they need to focus right now. Mrs. Wilsey stated that ILM supports the TSA and that our TSA employees in Wilmington do a very good job.

Mrs. Wilsey reported on the recent media interest in the demolition of the Piedmont Hangar noting that it did not make the Historic Wilmington Foundation's 2015 Most Threatened Historic Places list, and that the Piedmont Hangar is not architecturally significant. It seems to be understood that the hangar needs to come down so ILM can move forward with the GA Master Plan which will be a big focus for ILM over the next several years. Mr. Hickman suggested that staff take photographs and gather old photographs of the hangar to be preserved for historical purposes.

Mrs. Wilsey reviewed the calendars and upcoming events and wished a happy birthday to Mr. Lambeth, whose birthday is today, June 3rd.

Comments and discussion followed regarding the need to arrive 90 minutes before flights because of increased numbers of passengers flying out with added flights and TSA's focus on careful customer screening due to recent events; and, the demolition of the Piedmont Hangar.

Dr. Crane asked for and Mr. Prease provided clarification of the beginning process on the North Ramp project. There was discussion about funding and the bid process and the impact of the 2017 PGA golf tournament. Mrs. Wilsey shared information regarding the stalled SB 217 that might provide funds for economic development projects at airports that could be helpful if it is passed. Senator Rabon is a sponsor of the bill.

UNFINISHED BUSINESS

Chairman Perritt shared news about an aircraft manufacturer that recently received a \$4M grant to build a Cirrus aircraft manufacturing facility in Minnesota pointing out that other states are more aggressive with their economic incentives and that is challenging for our economic development.

NEW BUSINESS

None.

CLOSED SESSION

Chairman Perritt called for a motion to go into closed session to consider personnel matters pursuant to G.S. 143-318.11(a)(6). Mr. Barber MOVED, SECONDED by Mr. Wolfe to go into

closed session. All guests were asked to leave the board room at this time. Persons remaining for closed session were all Authority members, Mrs. Wilsey, and, Mr. Burpeau. The Authority went into closed session at 6:15 pm.

Mr. Wolfe MOVED, SECONDED by Mr. Lambeth to return to open session. The Authority returned to open session at 7:20 pm.

Chairman Perritt reported that the Authority has completed Mrs. Wilsey's 6 month performance review noting she was given positive feedback and that the Authority is pleased with her performance and that she has the support of the Authority.

ADJOURNMENT

There being no further business to come before the Board, Chairman Perritt adjourned the meeting at 7:23 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: July 1, 2015